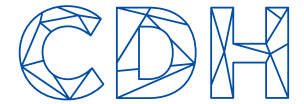


Mining & Minerals

ALERT | 2 September 2025



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**MINING & MINERALS
ALERT**

Developments in Namibia's Mining Law underway

In Namibia, the mining sector is critical to the economy and mineral assets form a major source of national wealth. Namibia's mining industry developed relatively early based mostly on diamonds discovered in around 1986. The initial reserves were high quality gem diamonds. Other metals (mainly copper, zinc and lead) were exploited in the country.

Namibia's mining sector is currently undergoing a quiet transformation, supported by a government eager to modernise laws and ensure the country's mineral wealth benefits its people. Known for its rich uranium, diamonds, gold, zinc, and copper reserves, Namibia has long held a reputation as a stable and attractive jurisdiction for global investors. Now, a suite of legislative reforms and regulatory changes are reshaping the landscape, with significant consequences for both industry insiders and local stakeholders.

The latest push for reform centres on the Minerals (Prospecting and Mining) Act of 1992 (Act), which has been the backbone of mining law since independence. Recognising that global standards and national ambitions have evolved, authorities are reviewing the Act to strengthen state oversight, align with international environmental and governance best practices, and promote transparency in licensing.

A draft amendment bill, currently under public consultation, seeks to introduce stricter requirements for work programs, local content, and corporate social responsibility, aiming to redress past inequities and position Namibia for sustainable growth.

Policy shifts are equally evident in efforts to increase local participation and value addition. The Ministry of Industrialisation, Mines and Energy has signalled that future mining ventures will need greater Namibian ownership, and that beneficiation — especially for diamonds and uranium — must increasingly happen within Namibia's borders. Joint ventures with local or state-owned entities may become standard, a move intended to maximise national benefit even as it raises concerns among international firms about regulatory burdens.

Reforms are not limited to ownership and licensing. Namibia's fiscal regime for mining is also under review, with changes proposed to royalty rates for strategic minerals and the introduction of profit-based taxes to capture windfall gains. Tax incentives targeting exploration and regional development round out the economic package, as the government seeks a balance between attracting investment and securing a fair share of revenues.

Environmental stewardship is moving to the fore of legislative priorities. Stricter requirements for environmental impact assessments, robust baseline data, and mandatory management plans are being introduced, along with greater emphasis on post-mining rehabilitation and financial assurances to cover environmental liabilities. These steps reflect Namibia's obligations under international conventions and its determination to balance economic development with ecological protection. A separate review of the Mine, Health and Safety Regulations is also underway with the intention of replacing the outdated 1968 ordinance.



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The concept of a “*social license to operate*” is being enshrined in law, requiring companies to engage meaningfully with local communities and formalise community development agreements. This is meant to prevent social conflict and foster partnerships that extend benefits beyond the mine gate.

Institutional reform initiatives are also being considered. A national mining company is proposed to hold equity in strategic projects, serving as a joint venture partner, facilitating technology transfer and supporting downstream development. Its success will hinge on transparent governance and operational independence — a model inspired by similar state-owned enterprises elsewhere.

The process for obtaining mining rights is being streamlined with digital licensing systems and time-bound application reviews, designed to boost investor confidence and minimize opportunities for corruption. Clear criteria for awarding, renewing, and cancelling licenses are set to reduce opacity and foster trust.

Namibia's mineral endowment includes so-called “*strategic minerals*” — lithium, rare earths, and uranium — that are crucial to the global energy transition. The government is prioritising these resources, with tighter controls on exports of unprocessed materials and incentives for local processing. These policies align with the country's ambition to become a regional hub for clean energy, especially given recent discoveries in green hydrogen.

International investors can take some reassurance from Namibia's continued commitment to treaty obligations. Recent legislative drafts maintain protections such as recourse to arbitration and safeguards against uncompensated expropriation, though existing treaties are under review for better alignment with national goals.

In summary, Namibia's mining law is evolving in pursuit of a careful balance: maximising national benefit, ensuring environmental and social responsibility, and fostering a transparent, investor-friendly climate. While the reforms introduce stricter standards for local content, governance and beneficiation, they also promise streamlined procedures and greater certainty for all stakeholders. Current and prospective investors in Namibia's mining industry should be keeping a keen eye on these developments.

Vivien Chaplin and Ilda Dos Santos

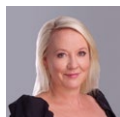


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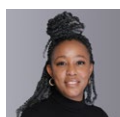
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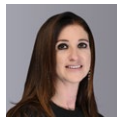
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Our BBBEE verification is one of several components of our transformation strategy and we continue to seek ways of improving it in a meaningful manner.

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